

INSURANCE ADVISORY BOARD MINUTES

City of Fort Lauderdale
100 North Andrews Avenue
8th Floor Conference Room
Thursday, June 28, 2007 – 8:00 a.m.

Board Members	Meeting Attendance	1/07 – 12/07 Cumulative Attendance	
		P	A
Joseph Cobo, Chair	P	4	1
Mark Schwartz, Vice Chair	P	5	0
Randy Swensen	P	3	2
Ted Hess	P	5	0
Christopher Prestera	P	4	1
Roger Bond	P	5	0
Joe Piechura, Sr.	P	4	1

Staff and Guest

Betty Burrell, Director of Finance
Marilyn Mullen, Employee Benefits Coordinator

Roll Call

The meeting was called to order by Chair Joseph Cobo at 8:00 a.m.

Approval of Minutes – April 4, 2007

Motion made by Joe Picheura and seconded by Mark Schwartz to approve the minutes of the April 4, 2007 Board Meeting. Motion passed unanimously.

Chair Joseph Cobo advised that the meeting was again being recorded and roll call had been taken and everyone on the Board was present. He also announced that the minutes of the April 4, 2007 meeting had been approved unanimously. The Board was on "Unfinished Business" and had been discussing the FM Global situation and status.

Unfinished Business

FM Global

The meeting was about the cost of repairing damage from the hurricane. The City was continuing to press for the monies due and everyone must stay focused to get the matter resolved.

Betty Burrell summarized by stating that resolving the difference between what the City believed it is due and what FM stated the City should be paid was in the process of being resolved.

Software Update

Betty Burrell advised that there was no opportunity to spend a lot of money this year so they probably would have to make do with what they had at this point in time. There was no need to spend the \$15,000 since it was only half of the remedy and it would be better to save those funds and do what the Board previously recommended and purchase a system that would provide what was actually needed. Therefore, this would be tabled until the next fiscal year.

Worker's Compensation Summary Reports

Betty Burrell called the Board's attention to the report provided and stated it was from the Gallagher-Bassett System as of February 28, 2007. She stated that the \$9 Million total experience for '03/'04 was the result of two officers being wounded. The loss report by recording unit was an analysis that showed the bulk of losses occurring in the police, fire, parks and public services that were the bulk of the work force and the departments with the highest risk.

In the report Mr. Walsh suggested that there needed to be a more timely report of incidents and a review of the lack of a safety program,

Chair Joseph Cobo asked if the Police Department had a preventive program or training in place at this time. Ms. Burrell stated it was her understanding that both police and fire had their own safety programs internal to their departments.

It was asked if they were fully self-insured regarding worker's compensation or were they assessed by loss and were there discounts for safety programs. Ms. Burrell confirmed that they were assessed by loss, but she was not aware of any discounts.

Appointment of Risk Manager

Betty Burrell announced that a new Risk Manager would be coming on board July 2, 2007 by the name of Guy Hine who also was from Gallagher-Bassett. She felt confident that he would bring the same type of knowledge and skills to the table as John Walsh because he had been a close second when John Walsh had been hired.

ADA Coordinator Position

Betty Burrell stated that the ADA Coordinator position had been approved by the Commission. This position was necessary because of the Federal Consent Decree that stated that such a position did not have to be solely created, but that there had to be an ADA Coordinator. Based on the volume of work required to comply with such coordination the City needed to have a full-time person. They would be recruiting for the position within the next week or two. She advised that in putting such a job description

together, she was able to find many descriptions of such a position, and therefore, it must not be novel. A salary had not been decided upon yet, but it would not be at the level of a manager.

Update to Self-Funded Health Plan

Marilyn Mullen referred everyone to the achievement of the 2007 objectives that were:

- Medical RFP successfully completed
- Reduced employee contributions by 16%
- Replaced the PPO with an open-access point service
- Minimal provider disruption
- 5-year contract in place

Ms. Mullen further stated that the revenue and expenses of October, 2005 to September, 2006 showed revenue to be \$11,900,000 and total expenses were \$9,449,000. The medical loss ratio was 79% and income was \$2.4 Million. For the first six months of the October '06 through March, 2007 fiscal year the revenue had been \$5,900,000 and total expenses were \$5,454,000 and the loss ratio was 91% with income at \$516,000. In regard to the claims exceeding stop loss, at the end of 2006 there had been four claims and one claim had moved into 2007. All stop loss were age dependent based on date of service.

It was asked if the loss ratio of 79% took into affect the maximum amount the City was obligated to pay. Ms. Mullen confirmed.

Ms. Mullen continued stating that the health plan surplus for 2004 was \$313,000; for 2005 it was \$4.1 Million; for 2006 it was \$6.3 Million based on the actuarial report filed with the State. Police and fire were separate and had their own medical programs. Membership stayed the same, but the products changed.

It was asked if the six-month loss ratio was higher than the preceding 12 months due to the income tax filing. Ms. Mullen stated there are some time lags in terms of claim filing.

New Business

Betty Burrell stated they did not have a contract with Dave Fortune who was serving as a consultant for the Risk Management Division. The City's insurance requirements made it cost prohibitive to continue. Therefore, the City relied heavily on Rutherford for their consulting needs. Rutherford had agreed to extend their contract, which would go before the City Commission in either July or September as their contract would not expire until December. The terms of renewal would be the same.

Schedule Next Meeting

Chair Joseph Cobo announced that the Board would not meet in July, and therefore, the next scheduled meeting would be Wednesday, August 1, 2007 at 8:00 a.m. unless there would be nothing on the agenda and then the meeting would be rescheduled.

Motion was made to adjourn the meeting. Board unanimously approved.

There being no other business to come before the Board, the meeting was adjourned at approximately 8:30 a.m.